

(b) *Products from the Virgin Islands.* In addition to the documentation required by § 41.86, in the case of products exported from the Virgin Islands the manufacturer also must file an extension of coverage of the internal revenue bond on TTB F 5000.18, and receive a notice of approval from the appropriate TTB officer, in order to obtain release under paragraph (a)(1) of this section. The extension of coverage must be executed by the principal and the surety and must be in the following form:

“Whereas the purpose of this extension is to bind the obligors for the purpose of the tax imposed by 26 U.S.C. 7652(b), on tobacco products and cigarette papers and tubes exported from the Virgin Islands and removed from customs custody in the United States without payment of internal revenue tax, for delivery to the principal on said bond.”

“Now, therefore, the said bond is further specifically conditioned that the principal named therein must pay all taxes imposed by 26 U.S.C. 7652(b) plus penalties, if any, and interest, for which he may become liable with respect to these products exported from the Virgin Islands and removed from customs custody in the United States without payment of internal revenue tax thereon, and must comply with all provisions of law and regulations with respect thereto.”

(c) *Receipt by manufacturer.* Articles received into the factory of a manufacturer under this section are subject to the requirements of part 40 of this chapter.

[78 FR 38569, June 27, 2013]

EFFECTIVE DATE NOTE: At 78 FR 38569, June 27, 2013, § 41.85 was revised, effective Aug. 26, 2013 through Aug. 26, 2016.

§ 41.85a Release from customs custody of returned articles.

(a) Domestically manufactured tobacco products (classifiable under item 9801.00.80 of the Harmonized Tariff Schedule of the United States, 19 U.S.C. 1202) exported from and returned to the United States without change to the product or the shipping container may be released from customs custody in the United States, under the bond of the original manufacturer or of the export warehouse proprietor who has been authorized by the original manufacturer (see § 41.82), without payment of that part of the duty attributable to internal revenue tax, for delivery to the bonded premises of the original to-

bacco products manufacturer or to the bonded premises of the export warehouse proprietor.

(b) Domestically manufactured cigarette papers and tubes (classifiable under item 9801.00.80 of the Harmonized Tariff Schedule of the United States, 19 U.S.C. 1202) exported from and returned to the United States without change to the product or the shipping container may be released from customs custody in the United States, without payment of that part of the duty attributable to internal revenue tax, for delivery to the bonded premises of the original manufacturer of the cigarette papers and tubes or an export warehouse proprietor authorized by the original manufacturer to receive such products.

(c) Releases under this section must be in accordance with the procedures set forth in § 41.86. Once released, the tobacco products and cigarette papers and tubes are subject to the tax and other provisions of 26 U.S.C. chapter 52 and, as applicable, to the regulations in part 40 of this chapter as if they had not been exported or otherwise removed from internal revenue bond.

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§ 41.86 Procedure for release.

(a) Every manufacturer of tobacco products or cigarette papers and tubes and every export warehouse proprietor who desires to obtain the release of tobacco products or cigarette papers and tubes from customs custody, without payment of internal revenue tax under its internal revenue bond, as provided in §§ 41.85 or 41.85a, must prepare a notice of release, TTB F 5200.11 and file the form with the appropriate TTB officer in accordance with the instructions on the form. The appropriate TTB officer will certify TTB F 5200.11 covering the release of the tobacco products or cigarette papers and tubes under 26 U.S.C. 5704(c) or (d) if the manufacturer or export warehouse proprietor is authorized to receive the products.

(b) Importers who are manufacturers of tobacco products or cigarette papers and tubes or export warehouse proprietors, or their authorized agents, who